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Title:

Press statement - Steel Surcharge Concessions

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PRESS STATEMENT FROM THE PREMIER, MR. DUNSTAN.

STEEL SURCHARGE CONCESSIONS.

16/8/71.

The Premier, Mr. Dunstan, announced today that discussions between the Prices Commissioner, Mr. L.H. Baker, and South Australia's largest steel distributor have resulted in concessions being made on the proposed \$7.50 surcharge on steel orders of under one ton.

The Premier asked Mr. Baker to take up the matter last June after complaints had been received about the effect of the surcharge on Broken Hill Proprietary Co. Ltd. products.

This was then suspended by the distributors pending an investigation by the Prices Branch.

Mr. Dunstan said the Commissioner had investigated the proposed surcharge and had had discussions with representatives of A.N.I. Austral Steel Ltd., the largest distributor in the State.

The Commissioner had reported that steel merchants' expenses had risen by 15% in the past year and it was apparent that some relief was warranted on small orders which were often costly to handle and non-profitable.

A flat surcharge was considered inequitable to small users who could not adjust to the increased cost by ordering larger quantities less frequently.

To provide merchants with relief and encourage users to restrict the number of orders a formula had been proposed which A.N.I. Austral Steel Ltd., had agreed to apply.

The new formula based on a quantity extra cost would be:

For sales under one ton.	The under one ton price as per B.H.P. list plus -
Under 1 cwt	\$60
1 cwt. & under 5 cwt.	\$40
5 cwt. & under 10 cwt.	\$20
10 cwt. & over	Nil

This would price a 28 lb. order of one type of steel at \$2.90 (\$9.65 under the original proposal) and a 56 lb. order at \$5.80 (\$11.80 under the original surcharge).

Other steel distributors are expected to follow this formula.

Mr. Dunstan said the distributors were to be commended for the co-operation they had accorded the Prices Branch in its investigation.

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